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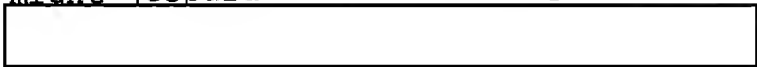
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El Salvador: Factionalism within the ruling National Conciliation Party has created serious political problems for President Sanchez.

Dissident members of the party, with the support of the Christian Democratic opposition, ousted and then replaced the leaders of the Legislative Assembly on Tuesday. The dissidents reportedly were unhappy with the sluggishness of the previous leadership and wanted a number of pending reform bills passed, including one opposed by the commander of the national guard. The Christian Democrats supported the dissidents, probably because they want the reform measures passed and also because they believe that disarray in the government party might lead to success in the congressional elections scheduled for March 1970.

Sanchez reportedly will accept and support the new congressional leadership. In an effort to head off any military move against the assembly, he has asked all military commanders to explain the government's position to their subordinates today.

Nevertheless, this situation has not only endangered the government's one-seat legislative majority, but also is likely to complicate efforts to reach a settlement with Honduras and to impair the usefulness of this weekend's emergency Central American Common Market meeting in San Jose. Any weakening of Sanchez' domestic political position will reduce his room for maneuver and add to his fears that any concessions might jeopardize his military and public support.



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Pakistan: The handling of recent communal violence in East Pakistan has produced a serious clash between civilian and military officials.

The trouble first surfaced when the government attempted to prepare voter rolls in East Pakistan. In the outskirts of Dacca on 1 November, Urdu-speaking refugees from India called for a work stoppage to protest voter registration forms written only in Bengali. Native Bengalis refused to support the stoppage and violence ensued, resulting in several deaths and numerous injuries and arrests. A curfew was imposed as the army patrolled the streets, and calm now seems to have been restored.

The military-civilian hostilities developed on 3 November when political leaders, who were publicly supporting efforts to restore order, tried to lead a "peace mission" through the troubled area. The army refused to allow the march, and the politicians appealed to Governor Ahsan, who joined the mission and publicly pledged a government inquiry into causes of the disturbances. A second showdown occurred later in the day after civilians objected to another night of curfew and the military threatened to withdraw from the riot area if the curfew were not reimposed. Rumors are now circulating that the governor has submitted his resignation and that East Pakistan's martial law administrator has demanded Ahsan's immediate recall by Rawalpindi.

Although this dispute began as a localized linguistic conflict, it may be taking on broader significance. The military-civilian clash places the army and the martial law administration--predominantly West Pakistani and Urdu-speaking--in opposition to the police and the mass of Bengali civilians, aggravating regional tensions and possibly endangering hopes for eventual return to civilian rule.

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India: The formation of a new coalition government in the south Indian state of Kerala has ended a political hiatus, but prospects for stability are not bright.

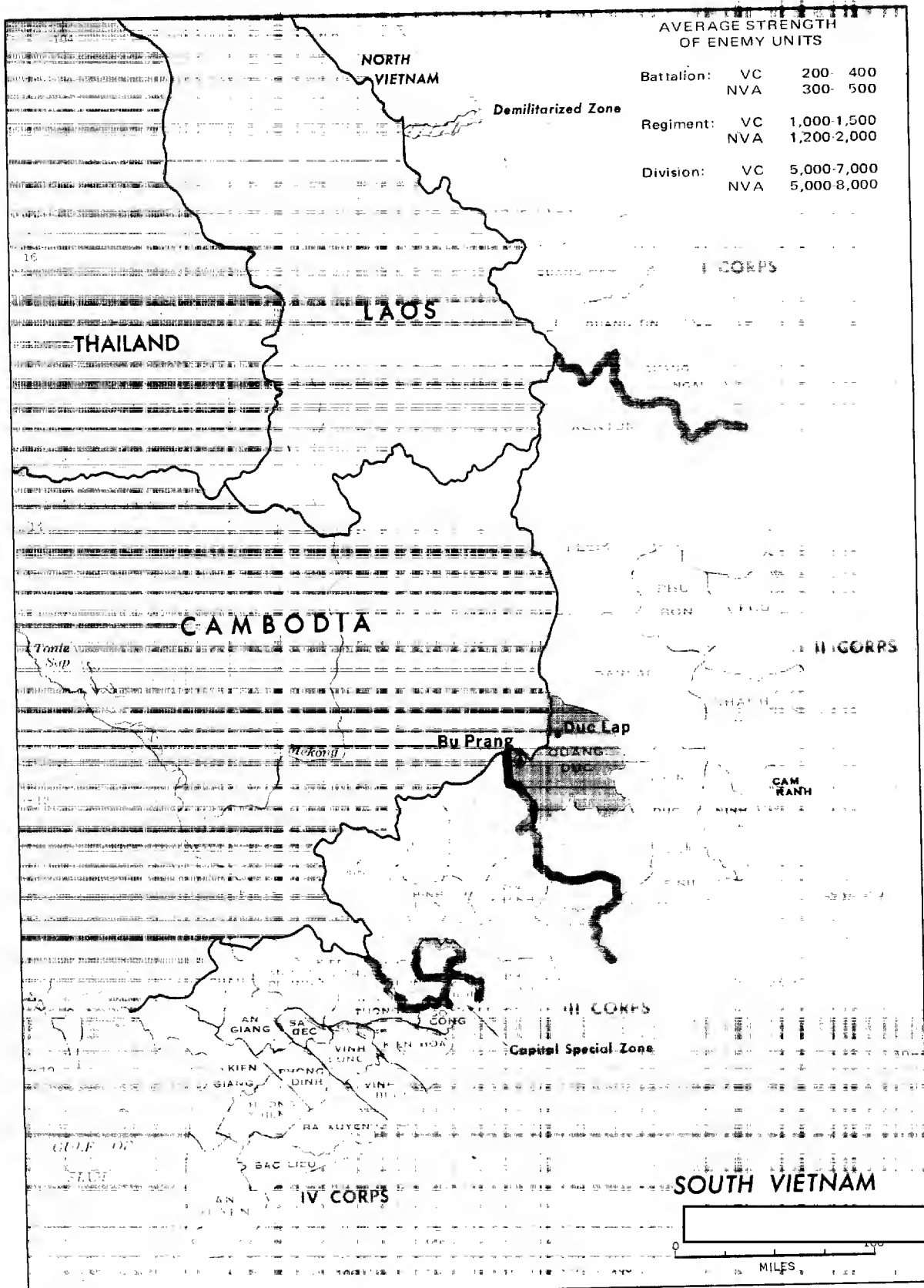
Matters came to a head on 24 October with the fall of the coalition government, dominated by the militant Communist Party/Marxist (CPM), which had been in office since general elections in 1967. The new five-party coalition, headed by Achutha Menon of the more moderate Communist Party of India, is composed of parties with little in common other than opposition to the CPM. The coalition has 61 seats in the 134-member assembly, but Menon claims he has assurances of enough additional support to rule. Nevertheless he will have less legislative strength than the former government.

The CPM with 50 seats remains the largest single party. The new government hopes to prove itself through a creditable legislative program, but the odds are against its functioning well or staying in office long. Continued political instability or CPM-sponsored demonstrations resulting in serious clashes could eventually lead to reimposition of direct rule over Kerala by the central government in New Delhi. Kerala has been under such direct rule twice before, the last time from 1964 to 1967.

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South Vietnam: Except for renewed heavy fighting near the beleaguered allied Special Forces camps at Bu Prang and Duc Lap in the southern highlands of II Corps, enemy activity on 5 November returned to the relatively low level noted throughout most of South Vietnam over the past two months. The upsurge in enemy action on 3-4 November, however, was more intense than preliminary reports indicated. In addition to numerous rocket and mortar attacks, at least three ground attacks of battalion size were conducted against US bases in northwestern III Corps--the first actions of this size anywhere in Vietnam since early summer. Eight smaller-scale ground attacks were also launched against the allies in southeastern II Corps. [REDACTED] (Map)

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Lebanon: The government and the fedayeen apparently reached an agreement only on broad principles in Cairo. Following a meeting with President Hilu Tuesday, caretaker Prime Minister Rashid Karami announced that both parties will soon meet in Beirut to work out the details of the Cairo agreement. There may be even further delays in arriving at a workable agreement. [REDACTED]

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[REDACTED]

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Libya: New signs of popular discontent have appeared in Libya. Leaflets criticizing the anti-traditionalist policies of the new regime are being clandestinely distributed. The discontent appears to be generated in part by the secretive nature of the Revolutionary Command Council and rumors of dissension among its members. There has also been student unrest in Benghazi secondary schools over living conditions. Further manifestations of popular discontent may come in the next few weeks with the celebration of Ramadan, the Muslim month of fasting.

[REDACTED]

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[REDACTED]

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Bolivia: A work stoppage on the Bolivian-Argentine gas pipeline will further impede settlement of the dispute between the Gulf Oil Company and the Ovando government. A subcontractor for Gulf Oil has requested government permission to suspend work and dismiss about 600 Bolivian employees because Gulf has stopped all shipments of pipe and equipment. Gulf's action was taken in reprisal for the nationalization of its oil properties on 17 October. The US Embassy reports that government officials intend to blame Gulf publicly for the work stoppage, which may precipitate new and possibly violent demonstrations. [REDACTED]

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Ecuador: The Velasco government is continuing its policy of upgrading relations with the Communist world. Soviet commercial representatives are now on their way to Quito to staff their trade mission, and Ecuador's first ambassador to Czechoslovakia took up his post in late October. The Ecuadoran Government is improving its relations with the Communist area without fanfare or measurable resistance and in direct relationship to the volume of trade. If the reported sharp increase in trade during the first half of this year continues, further ties between Ecuador and the Communist countries can be expected. [REDACTED]

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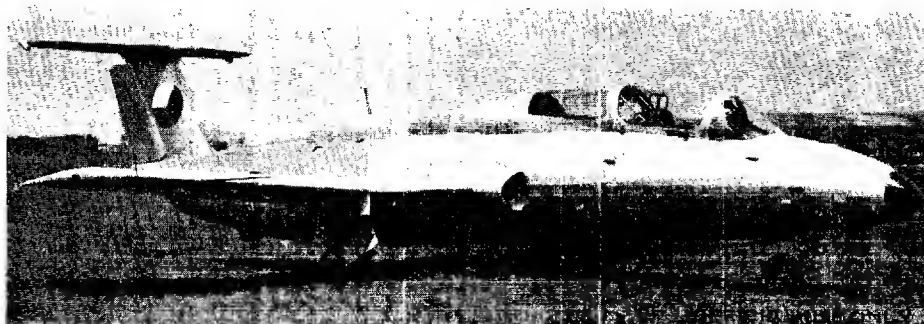
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Czech Jet Trainers

L-29 Subsonic Jet Trainer



L-39 Supersonic Jet Trainer



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Burma - Communist China: Rangoon is arranging to get into operation projects which were originally part of Peking's now defunct aid program. Burma has announced it will complete a sugar mill on its own and a Japanese firm is to take over the construction of a paper mill. The Burmese already have completed several other projects which were abandoned by Peking following Burma's anti-Chinese riots in mid-1967. Before the Chinese withdrawal, Rangoon had drawn less than one fourth of the \$84-million Chinese credit extended in 1961. Since the rupture in its relations with China, Burma has accepted very little aid from any Communist country despite its need for external help.

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Czechoslovakia: Sales of the L-29 jet trainer to the developing countries continue at a brisk pace with the recent purchase [redacted] by the UAR and Syria. Since 1964 approximately 150 have been exported to Iraq, Uganda, Nigeria, and Indonesia where they have also been adapted for combat use. As many as 3,000 were exported to Warsaw Pact countries following their adoption of it as the standard basic jet trainer in 1962. A new supersonic version, the L-39, is expected to enter series production by early 1970, and will be available to free world countries by the mid-1970s.

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